

CHECKS AND CREDIT
January 8, 2008
Remarks

I. What are the Current Practices?

18 Card Rooms.

- 2 large clubs (100 plus tables)
- 2 medium size clubs (35 – 50 tables)
- 14 unknown size or smaller clubs

60% use Checks and/or credit.

Check-cashing only. Six

Checks and Credit. Five, small number of customers compared to check cashing.

One 40 table club reported several hundred persons with check cashing approval.
By comparison, the same club had a total of 33 players with credit balances.

Neither Checks nor Credit: Seven (40%)

All clubs use credit application/review procedures to assure credit worthiness. Some require copies of bank statements, others use credit agencies. Some have fixed criteria, such as the patron's bank account must have been open for at least two years, no history of bounced checks, etc... Generally, patrons have 5-30 days to payoff or pay down the balance.

II. Why do Card Rooms cash checks and extend credit?

They prefer cash; they take a risk with checks and credit (unlike other gaming). But ...

- A. Customer Loyalty / Service
- B. Other facilities cash checks and extend credit: Tribes, Las Vegas and Internet.
- C. The Owners have to balance those issues in their business judgment. The owners have no interest in and no benefit from uncollectible debts.

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III. Specific Issues. Unanimity.

A. Check Redemption.

- Should be able to replace a check the same or next day or reduce the balance.
- This is Not an extension of credit.

B. Credit for Proposition Players.

- The Left Turn Lane and the Law of Unintended Consequences?

C. Check Cashing after You are Already approved for Check Cashing.

D. Credit Reports.

E. Check Payees.

F. ** Implementation: No period is specified. 6 months would allow time for new systems.

IV. Other Comments.

Not every card room has the same issues nor should ever owner be required to reach the same business judgment. Regulation is for public safety, not for reordering competition.

You do not need the same procedures you need for a home equity loan. Moreover, should be allowed to compromise or modify the debt in order to get paid.